

**Early Morning Update**

The Apr20 natural gas contract is trading down \$0.07 at \$1.77. The Apr20 crude oil contract is down \$1.78 at \$46.95.

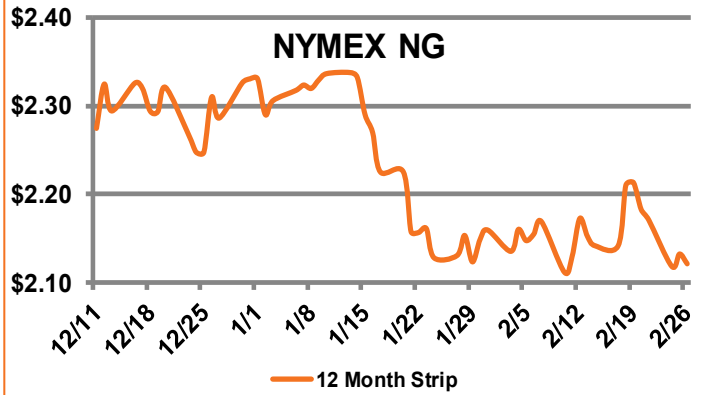
**Summary:** Today's storage withdrawal is expected to settle somewhere between 161 and 158 Bcf for the week ending February 21st. Although this forecasted withdrawal is much larger than the five-year average level of 121 Bcf, natural gas pricing has moved very little, most likely because storage is still at very healthy levels. The March contract expired yesterday at \$1.821/MMBtu. Before expiring, prompt month pricing moved seven cents throughout the day, peaking at \$1.88, before closing down 2.6 cents. The average March settlement was \$1.86, with a low of \$1.76 on February 10th. For comparison, March 2019 settled at \$2.85. The April contract is now the prompt month, which is currently trading at \$1.78. April 2019 settled about \$1 higher than current pricing levels at \$2.713. It's possible that prices could stay at these low levels for at least the next few weeks. The weather outlook for the Mid-Atlantic and Midwest regions is slightly below normal through March 1st, but temperatures swing towards much-above-normal within this region beginning March 2nd.

**Bullish Factors**

- Record LNG exports
- Growing NG exports to Mexico
- Dry production stalling

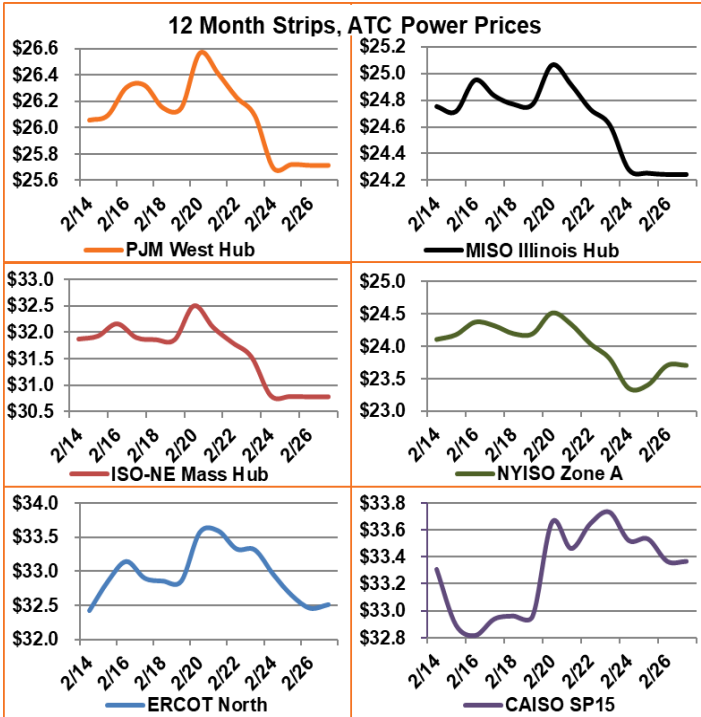
**Bearish Factors**

- Above-average winter temperatures
- Higher associated gas production
- Healthy storage levels



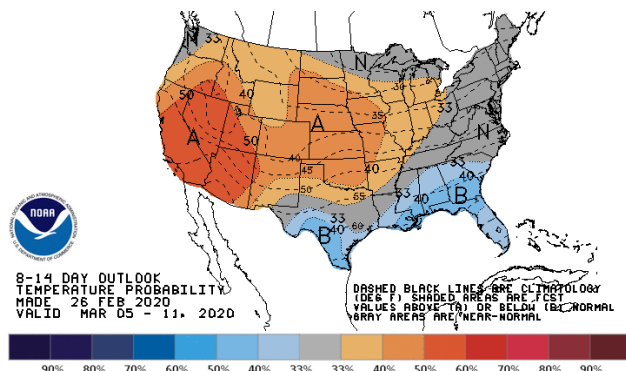
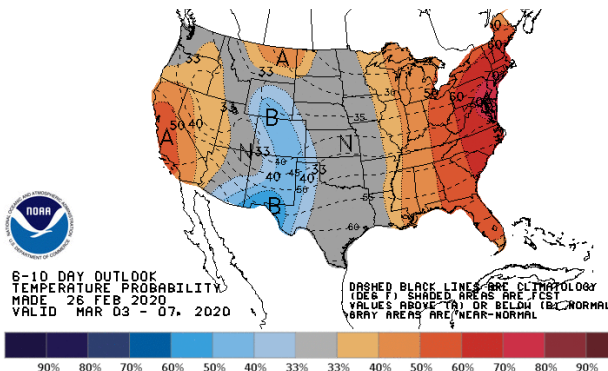
**Next Day On-Peak Power (traded for 2/27/2020)**

|                                   |                                    |                                |
|-----------------------------------|------------------------------------|--------------------------------|
| <b>ISO-NE Mass Hub</b><br>\$21.36 | <b>MISO Indiana Hub</b><br>\$26.75 | <b>NYISO Zone G</b><br>\$20.00 |
| <b>PJM West Hub</b><br>\$22.81    | <b>ERCOT North</b><br>\$23.32      | <b>CAISO SP15</b><br>\$27.13   |
| <b>NYMEX NG</b>                   | <b>Close</b>                       | <b>Change</b>                  |
| Mar-20                            | 1.821                              | -0.026                         |
| Apr-20                            | 1.837                              | -0.014                         |
| 12 Month                          | 2.121                              | -0.011                         |
| Cal 21                            | 2.330                              | 0.002                          |
| Cal 22                            | 2.395                              | 0.013                          |



**EIA Natural Gas Storage**

| EIA Reported Storage (Bcf) | This Week | Last Week | Last Year | 5-Year Avg. |
|----------------------------|-----------|-----------|-----------|-------------|
| <b>Total</b>               | 2,343     | 2,494     | 1,730     | 2,143       |
| <b>Diff v. Current</b>     |           | -151      | 613       | 200         |
| <b>% Diff</b>              |           |           | 35.4%     | 9.3%        |



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